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# ANALYSIS OF THE EFFECTS ON THE LIVELIHOOD OF THE POOR OF ELIMINATION OF TRADE BARRIERS, INCREASED COMPETITIVENESS, TRADE FLOWS, EXTERNAL SHOCKS, DIVERSIFICATION OF EXPORTS, PARTICULARLY OF LABOUR-INTENSIVE GOODS,AND MARKET ACCESS OF SUCH GOODS

# ANALYSIS OF THE EFFECTIVENESS AND IMPACT OF INTERNATIONAL DEVELOPMENT COOPERATION FOR POVERTY ALLEVIATION, INCLUDING THE IDENTIFICATION OF IMPEDIMENTS, INNOVATIVE MEASURES AND EFFECTIVE STRATEGIES FOR REACHING THE POOR

# REVIEW OF THE IMPLEMENTATION OF THE WORK PROGRAMME OF THE STANDING COMMITTEE ON POVERTY ALLEVIATION

## Draft agreed conclusions

1. Modelling the impact of the Uruguay Round on poverty in terms of the Round's impact on national income has proved a useful way of obtaining an "order of magnitude" estimate of that impact. However, it was felt that analysis on a disaggregated, country-by-country and sectoral basis could contribute to a better understanding of the effects on income distribution and poverty between and within different sectors of the economy and the need for appropriate policies.

2. There is concern over losses that might be incurred by the least developed countries (LDCs) and net food-importing developing countries due to possible price increases of imported food resulting from the Uruguay Round. Such increases would affect those countries' balance of payments, thus creating hardship for non-food producing, poor households. There would, therefore, be a need for food aid at an adequate level and for technical and financial assistance in line with the relevant decision adopted by the Marrakech Ministerial Conference which concluded the Uruguay Round.

3. It was recognized that the export of labour-intensive goods would be helpful in increasing employment and generating income and would therefore assist in reducing poverty. It was felt that production of such goods could be encouraged by increasing market access for them as well as by facilitating an enabling environment for small and medium-size enterprises.

4. The primary responsibility for alleviating poverty rests with the countries concerned. ODA serves as a useful adjunct, and plays an important and complementary role in alleviating poverty.

5. Concern was expressed over the decline in the quantity of ODA directed to developing countries in recent years, and the need for meeting internationally agreed aid targets was emphasized. It is of the utmost urgency that the quality of aid as well as its use by developing countries be further improved in order to make it more effective in alleviating poverty.

6. Consideration should be given to such institutional methods and criteria as targeting, decentralization appraisal, evaluation and monitoring, an enabling environment and sustainability, so that ODA might reach and benefit the poor.

7. Focusing on women beneficiaires is especially important in enabling aid to reach and benefit the poor more effectively, both because women comprise the poorest of the poor and because they use their incomes to feed, clothe and educate their children, thus reducing poverty in both the short and long term.

8. As regards the issue of hunger and inadequate access to nutrition by the poor in food-deficit countries, it is agreed that food aid can play a major role in the short-run in relieving poverty, particularly for women and children. Well-targeted food aid could concurrently help eliminate present hunger of the poor and catalyze their self-reliant growth. In particular, access to food in adequate quantities and on a regular basis can allow women to devote their energy to productive activities and permit children to attend school and to escape disease. It is felt that food aid cannot be used as a long-term solution to poverty. Access to income and other forms of purchasing power will be a more appropriate strategy.

9. Debt relief may directly and indirectly be one of the principal elements to help reduce poverty if the freed resources are properly mobilized and channelled for developmental and poverty alleviation purposes.

10. UNCTAD Standing Committee has served as a useful forum to deal with the issues of poverty alleviation and reduction, in relation to international trade and

development. Further, the approach chosen to deal with the exchange and examination of national experiences through the Intergovernmental Group of Experts and the Tunis and Santiago workshops was particularly helpful in identifying and disseminating useful conclusions and recommendations derived from field experiences in dealing with poverty concerns.

11. The Standing Committee on Poverty Alleviation had been established as one of the innovative instruments for implementing the new partnership for development and peace, launched in Cartagena at UNCTAD VIII. It is agreed that the Committee has done valuable work on various issues on its agenda during its three sesions. In accordance with paragraph 76 of the Cartagena Commitment, the Standing Committee has decided to transmit its recommendations and conclusions to UNCTAD IX, for consideration and appropriate action through the Trade and Development Board.

12. Active participation by United Nations agencies and other relevant international organizations would have a positive impact on focusing the direction of possible future work of the Standing Committee on Poverty Alleviation.

13. The timing of the third session of the Standing Committee on Poverty Alleviation, following as it does the World Summit for Social Development, provides an ideal opportunity for UNCTAD to identify follow-up measures on relevant commitments taken in the Programme of Action of the Declaration of the World Summit. In this connection, UNCTAD has an important role to play in the follow-up to commitments made in the Final Declaration of the World Summit for Social Development.

14. As regards future work on poverty alleviation, there is a consensus that UNCTAD has a major role to play in the area of international economic cooperation and trade, and that it should continue its work on poverty issues where it has expertise and competence. With respect to institutional reform, the review of the implementation of the work programme of the Standing Committee and orientation of its future work provides an ideal opportunity to reflect on whether the existing form of intergovernmental machinery for addressing poverty alleviation was the appropriate one or the most effective arrangement, or whether some alternative form could be envisaged. However, it is agreed that the issue be deferred to UNCTAD IX, for consideration.